

**DEVELOPMENT AGREEMENT BETWEEN
CHESTER BOWL IMPROVEMENT CLUB
AND
CITY OF DULUTH**

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is by and between the CITY OF DULUTH (the “City”), a municipal corporation created and existing under the laws of the State of Minnesota, and the CHESTER BOWL IMPROVEMENT CLUB (“CBIC”), a Minnesota non-profit corporation. The City and CBIC are hereinafter referred to as a “Party” or collectively as the “Parties.”

WHEREAS, the City is the owner of a certain real estate located in the City of Duluth, County of St. Louis, State of Minnesota that is outlined in green on Exhibit A and is commonly known as “Chester Park.”

WHEREAS, a portion of Chester Park is subject to an operation and management agreement between the Parties dated February 6, 2025, City Contract No. 24926 (the “Management Agreement”). The portion of Chester Park that is operated and managed by CBIC, and for which CBIC is provided exclusive use in the Management Agreement, is referred to in this Agreement as the “Premises” and outlined in blue on Exhibit A. The Premises contains a 3,330 square foot building owned by the City, referred to in this Agreement as the “Chalet,” as well as four garage/storage buildings.

WHEREAS, CBIC has managed and operated the Premises pursuant to other agreements with the City since 2008.

WHEREAS, CBIC carries out its mission is to promote sustainable, quality programs for all in a safe and healthy environment by providing year-round recreational programming and events that serve individuals and families from all socio-economic backgrounds, offering a friendly and safe environment to learn skiing and snowboarding, fostering youth leadership development, and providing a positive space to hang out.

WHEREAS, the Parties applied for, and the City was awarded a grant in the amount of \$2,312,000 from the Environment and Natural Resources Trust Fund as recommended by the Legislative-Citizen Commission on Minnesota Resources (the “ENRTF Grant”) to partially fund reconstruction of the Chalet (the “Project”).

WHEREAS, CBIC has successfully fundraised and committed cash funding to serve as the required match for the ENRTF Grant and to cover the remaining Total Project Cost (defined below).

WHEREAS, the Project will reconstruct the Chalet on the existing foundation, plus approximately 415 square feet of new foundation for an accessible elevator. The Project will expand the Chalet from a 3,330 square foot, 2-story building, to a 5,220 square foot, 3-story building. The expanded Chalet will accommodate educational and multi-purpose rooms, a viewing deck, and supporting infrastructure and facilities to better accommodate CBIC services. The proposed floorplan for the Chalet is included in Exhibit B. The Project will expand high-quality

outdoor recreation and environmental education opportunities, improve accessibility, achieve modern sustainability standards, and better meet community needs.

WHEREAS, the Parties desire to formalize the goals and respective roles and responsibilities of the Project through this Agreement.

NOW, THEREFORE, in consideration of the foregoing and mutual covenants and agreements contained herein, the Parties agree to as follows:

I. ADMINISTRATION

For purposes of administering this Agreement, the City shall act through its Property and Facilities Manager or their designee (the “PFM Manager”) and CBIC shall act through its Executive Director or designee (the “Executive Director”).

II. TERM

This Agreement is effective as of the date of attestation by the city clerk (“Effective Date”) and shall continue through December 31, 2027, unless earlier terminated as provided for herein (the “Term”).

III. PROJECT COSTS AND FUDNING SOURCES

- A. Based on estimates agreed upon by the Parties, it is anticipated that the Project will cost approximately \$3,815,121. The exact cost of the Project (the “Total Project Cost”) will not be known until the project is awarded to a contractor and completed. The Total Project Cost used in this Agreement shall include all costs incurred relating to the Project, including but not limited to design services, construction costs, permitting, testing, construction management, sidewalks, utilities, stormwater management, landscaping, and associated site work.
- B. The Total Project Cost, minus the Grant Funds received by the City, shall be paid by CBIC. The City shall contribute to the Project through its project management services but will not provide additional funds for the Project. In the event the Chalet is not constructed for any reason, or is only partially constructed, CBIC shall pay the City for all costs incurred relating to the Project upon receipt of a written itemization of those costs. In the event there are sufficient funds available, the City may pay itself for these costs using CBIC contribution (defined below). The rights and obligations of the Parties set forth in this subparagraph shall survive the termination of this Agreement for any reason.

IV. PROJECT TIMELINE

The Project tasks and estimated completion milestones (the “Timeline”) are as follows:

Completion Milestones	Task
Spring 2017 – December 2025	CBIC Capital Campaign for Project
Fall 2023	Schematic Designs Prepared
Fall 2025	ENRTF Grant Finalized

Completion Milestones	Task
Fall/Winter 2025	Final Design and Construction Documents Prepared
Winter 2025-2026	Permitting
Winter 2025-2026	Advertisement for Bid
Winter 2025-2026	Project Open for Bids
Winter 2025-2026	Award Construction Contracts
Spring 2026	Construction Begins
Fall 2026	Construction Complete

V. PRE-CONSTRUCTION OF THE PROJECT

- A. Schematic Designs. The Chalet’s existing floor plan, proposed site plan, proposed floor plan, proposed elevations, and a rendering of the proposed Chalet are attached as Exhibit B (the “Schematic Designs”). The Parties will use the Schematic Designs to complete final design and bid specifications for the Project. Upon the execution of this Agreement, the CBIC shall transfer and assign all work product related to the Project to the City and such work product shall become the property of the City, whether or not the Project is actually constructed. CBIC shall obtain all third-party releases and assignments necessary to transfer such work products free and clear from all third-party rights and interests, so the City can use the work product without restriction.
- B. Costs Thus Far. CBIC has incurred certain professional services costs related to the Project, including for Schematic Designs. These costs are included in Total Project Cost and CBIC will not be reimbursed for these costs, whether or not the Chalet is constructed.

VI. PROJECT

- A. Joint Responsibilities.
1. The Parties will use their best efforts to work together in a collaborative manner on the Project. Subject to applicable law, CBIC shall be invited to attend and participate in all meetings conducted by the City related to the planning, design, and construction of the Project.
 2. To the extent practical, the City will work in partnership with CBIC on the Project, provided that the City shall have sole discretion with regard to all final decisions regarding the Project, including the Final Project Budget (defined below). The failure of the City to work in partnership with CBIC shall not invalidate any decision made by the City with regard to the same or give CBIC a cause of action against the City or cause the City to be in breach of this Agreement.
- B. City Responsibilities. The City shall be responsible for the following:
1. Project Management. The City shall manage the Project throughout the Term or until completion, whichever occurs first.

2. Grant Management. City shall enter into and administer the ENRTF Grant, including requests for reimbursement and providing required documentation to the State of Minnesota for all allowable expenditures.
3. Construction Plans and Project Budget.
 - a. Prior to the commencement of construction of the Project, the City shall provide construction drawings, plans, and specifications for the Project (the “Preliminary Construction Plans”) to CBIC for review and comment. Within 10 days of receipt of the Preliminary Construction Plans, CBIC shall provide the PFM Manager with written comments and any requests for modification of the Preliminary Construction Plans, along with the reason or justification for such request. If CBIC requests changes to the Preliminary Construction Plans, the City may either (i) make the requested changes, or (ii) explain why the requested changes were not made. At the conclusion of this consulting process with CBIC, the Preliminary Construction Plans shall be finalized by the City and shall become the “Final Construction Plans.” Any subsequent proposed modifications to the Final Construction Plans that will increase the Final Project Budget or the Total Project Cost, including authorized change orders, shall be presented to CBIC in the same manner for their consideration and comment, except that CBIC shall have 48 hours from receipt of the proposed modification to provide the PFM Manager with comments and requests for modification. The City reserves the final decision-making authority regarding the Preliminary Construction Plans and the Final Construction Plans. The Final Construction Plans shall be in accordance with the requirements of the ENRTF Grant.
 - b. Prior to commencement of construction of the Chalet, the City shall provide an itemized budget for the Project (the “Preliminary Project Budget”) to CBIC for review and comment. Within 10 days of receipt of the Preliminary Project Budget, CBIC shall provide the PFM Manager with written comments and any requests for modification of the Preliminary Project Budget, along with the reason or justification for such request. If CBIC requests changes to the Preliminary Project Budget, the City may either (i) make the requested changes, or (ii) explain why the requested changes were not made. At the conclusion of this consulting process with CBIC, the Preliminary Project Budget shall be finalized by the City and shall become the “Final Project Budget.” Any subsequent proposed modifications to the Final Project Budget that will increase the Total Project Cost, including authorized change orders, shall be presented to CBIC in the same manner for their consideration and comment, except that the Corporation shall have 48 hours from receipt of the proposed modification to provide the PFM Manager with comments and requests for modification. The City reserves the final decision-making authority regarding the Preliminary Project Budget and the Final Project Budget up to ten percent of the Construction Contract. Final Project Budget changes exceeding ten percent of the Construction Contract will require joint approval confirmed in writing by the City and CBIC.

- c. In addition to all other elements of design, (i) the design of the Chalet shall include the use of the City's master door locking system for use on all lockable doors, windows, and other openings equipped with locks, and (ii) the cylinders in all locks shall be keyed in accordance with the PFM Manager's direction.
- d. The Final Construction Plans shall be in conformity with this Agreement and with all applicable laws, rules, regulations, and ordinances of the City, State, and United States of America.
- e. The City shall obtain the proper permits, licenses, or other permissions needed from various local, state, and/or federal government agencies and entities to construct the Project.
- f. The City shall submit the Final Construction Plans for bid in accordance with the City's regular bidding process.

4. Construction.

- a. Upon deposit of the CBIC Contribution in the amount required by Section VI.C.1. below, the City, through its regular bidding process, shall award and enter into a construction contract with a contractor selected by the City for the construction of the Project in accordance with the Final Construction Plans (the "Construction Contract"). The City will not enter into the Construction Contract until the entirety of the CBIC Contribution required by Section VI.C.1. below is deposited with the City. The Construction Contract shall require substantial completion of the Chalet by October 31, 2026. The City shall administer the Construction Contract in its sole discretion.
- b. The City shall promptly pay the amounts due under the Construction Contract and all other costs of the project using: (i) the ENRTF Grant funds awarded to the City, and (ii) the CBIC Contribution. The City may use the CBIC Contribution to pay costs incurred for the Project whether or not the Project is actually constructed.

C. CBIC Responsibilities. CBIC shall be responsible for the following:

1. Project Cost.

- a. CBIC shall be responsible to pay the Total Project Cost, minus the amount of ENRTF Grant funds awarded to the City. In the event the Project is not constructed for any reason, CBIC will be responsible to pay the City all costs incurred by the City with respect to the Project. This requirement will survive the termination of this Agreement for any reason.
- b. On or before October 20, 2025, CBIC shall deposit the balance remaining for professional services for design, estimated at \$206,949, with the City; and on or before January 30, 2026, CBIC shall deposit the balance of the Construction

Contract, estimated at \$866,200, with the City (the “CBIC Contribution”). The CBIC Contribution shall be deposited into City Fund No. 205-130-1220-4670-08-CM205-CHSTER-MMPIMP (Parks Fund, Community Resources, Parks Capital, Share of Improvements Others, Capital Maintenance Fund 205, Chester Park, Mini Master Plan Implementation) and shall be accounted for in accordance with generally accepted accounting practices and with accounting practices approved by the Minnesota State Auditor related to the accounting of public funds. In their sole discretion, the PFM Manager may, in writing, extend the deadline for deposit of the CBIC Contribution required by this subparagraph. If CBIC fails to deposit the CBIC Contribution funds required by this subparagraph by October 20, 2026, and January 30, 2026, or such later date as permitted in writing by the PFM Manager, it will be a default under this Agreement. On December 1, 2025, CBIC shall submit a written report to the PFM Manager outlining CBIC’s current funds earmarked for the CBIC Contribution.

- c. As soon as practicable after the amount of the Construction Contract has been determined by the City (based on the construction bidding, selection, and negotiation process), the City shall notify CBIC of the amount of the Construction Contract. Prior to the Construction Contract being presented to the Duluth City Council for approval, CBIC shall make a deposit with the City for the Contribution equal to: (i) the difference between the amount of the Construction Contract and the amount of the then-current CBIC Contribution plus the ENRTF Grant funds; PLUS (ii) an amount equal to five percent of the amount of the Construction Contract. If CBIC fails to deposit the additional funds required by this subparagraph c. on or before the Construction Contract is presented to the Duluth City Council for approval, the City shall have no obligation to proceed with the Project and this Agreement shall automatically terminate.
 - d. If at any time during the Term the Final Project Budget increases so that the CBIC Contribution is deemed by the City to be insufficient to pay the anticipated Total Project Cost, minus the Grant Funds to be received, CBIC shall increase the amount of the CBIC Contribution by depositing additional funds with the City in the amount requested by the City, up to five percent of the Construction Contract, within 10 days. In their sole discretion, the PFM Manager may, in writing, extend the deadline for deposit of the CBIC Contribution required by this subparagraph. If CBIC fails to deposit the requested additional funds within 10 days of a request by the City, or such later date as permitted in writing by the PFM Manager, it shall be a default under this Agreement.
 - e. If any portion of the CBIC Contribution remains unexpended after payment in full of the Total Project Cost, the remaining CBIC Contribution shall be returned to CBIC.
2. Prompt Review and Cooperation. CBIC shall promptly (i) respond to any requests by the City regarding the Project and the ENRTF Grant; and (ii) review the Preliminary Construction Plans, the Final Construction Plans and any modifications thereto; and

- (iii) review the Preliminary Project Budget, the Final Project Budget and any modifications thereto. Failure to respond within the required time period to opportunities to review the Preliminary Construction Plans, the Final Construction Plans, the Preliminary Project Budget and the Final Project Budget shall be deemed a waiver of the CBIC's opportunity to comment and request changes.
3. Liens. CBIC shall not permit any mortgage or encumbrance to be filed or established against the Chalet or its interest as manager/operator in the Management Agreement or in the Premises.
- D. Post-Construction. Upon completion of construction of the Project, the Parties shall amend the Management Agreement by entering into a First Amendment, substantially in the form attached as Exhibit C (the "First Amendment to Management Agreement"). CBIC shall not use or occupy the Chalet until the First Amendment to Management Agreement has been fully executed by the Parties.

VII. TITLE TO BUILDING ADDITION

The Parties acknowledge that the City will own the Chalet and all plans, reports and all other information and documents gathered and prepared in relation to this Agreement and the Project.

VIII. DEFAULT

- A. By City. If the City defaults in the performance of its obligations under this Agreement due to no fault of CBIC, then CBIC may, after at least thirty (30) days prior written notice to the City and the City's failure to cure the default within said notice period, declare this Agreement terminated. Termination pursuant to this Section is the sole and exclusive remedy afforded to CBIC and in no event shall the City be liable for any actual, general, specific, punitive, incidental, speculative, consequential or other damages of any kind or nature. In the event of such termination, all funds remaining from the CBIC Contribution shall be refunded to CBIC within 30 days, EXCEPT any of said funds necessary to pay already incurred costs of the Project.
- B. By CBIC. If CBIC defaults in the performance of its obligations under this Agreement due to no fault of the City, then the City may, after at least ten (10) days prior written notice to CBIC and CBIC's failure to cure the default within said notice period, declare this Agreement terminated. In the event that CBIC defaults on its obligations under this Agreement, the City shall be entitled to any and all costs accrued by the City which it may incur in the course of enforcing CBIC's obligations, including but not limited to court cost and legal costs, which shall include the value of the City's staff attorneys and other staff time, and shall further be entitled to the cost of borrowing funds at commercial bank rates to fund any portion of the Total Project Cost that CBIC fails to pay, in the event the City elects to incur such costs. In the event there are sufficient funds available, the City may pay itself for all costs incurred due to a default by CBIC using the CBIC Contribution. The City may also use the CBIC Contribution funds to pay any costs incurred for the Project.

IX. COMMUNICATIONS

- A. The Parties agree that a full and complete exchange of information is necessary for the successful administration of this Project, and each party agrees to communicate openly and regularly with the other regarding this Agreement.
- B. Unless otherwise provided herein, notice to the City or CBIC shall be sufficient if sent by regular United States mail, postage prepaid, addressed to the Parties at the addresses hereinafter set forth or to such other respective persons or addresses as the Parties may designate to each other in writing from time to time:

City of Duluth
Attn: Property & Facilities Manager
1532 W. Michigan Street
Duluth, MN 55806
(218) 730-4430

Chester Bowl Improvement Club
Attn: Dave Schaeffer, Executive Director
1801 East Skyline
Duluth, MN 55812
(218) 724-9832

X. GENERAL CONDITIONS

- A. General Compliance. The Parties agree to comply with all applicable federal, state, and local laws and regulations governing the project and funds associated with this Agreement.
- B. Civil Rights Assurances. The Parties, and their respective officers, agents, servants, and employees, as part of the consideration under this Agreement, do hereby covenant and agree that:
 - 1. No person on the grounds of race, color, creed, religion, national origin, ancestry, age, marital status, status with respect to public assistance, sexual orientation and/or disability shall be excluded from any participation in, denied any benefits of or otherwise subjected to discrimination with regard to activities associated with this Agreement.
 - 2. That all activities to be conducted pursuant to this Agreement shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code, and any regulations and executive orders which may be affected with regard thereto.
- C. Termination.
 - 1. Mutual Agreement. This Agreement may be terminated without cause by written, mutual agreement of the Parties.
 - 2. For Cause. This Agreement may be terminated by either party upon breach of any of the terms and conditions of this Agreement by either Party and the failure to rectify or correct any such breach within ninety (90) days of the transmission of written notice of the breach.

3. Automatically. In the event that the ENRTF Grant is terminated, this Agreement shall contemporaneously terminate.
- D. Independent Relationship. Nothing contained in this Agreement is intended to, or may be construed in any manner, as creating or establishing the relationship of co-partners between the Parties or of constituting CBIC as an agent, representative, or employee of the City for any purpose or in any manner whatsoever. The Parties do not intend by this Agreement to create a joint venture or joint enterprise and expressly waive any right to claim such status in any dispute arising out of this Agreement. CBIC and its officers, agents, or employees shall not be considered employees of the City for any purpose or in any manner whatsoever. Any and all claims that may or might arise on behalf of CBIC arising out of employment or alleged employment including, without limitation, claims of discrimination shall in no way be the responsibility of the City. CBIC and its officers, agents, or employees shall not be entitled to claim or collect from the City any compensation or rights or benefits of any kind whatsoever, including but not limited to, hospital care, sick leave and vacation pay, Workers' Compensation, Unemployment Insurance, disability pay, or severance pay. Furthermore, the City shall not, in any way, be responsible to defend, indemnify or save harmless CBIC, its officers, agents or employees from liability or judgments arising out of the intentional or negligent acts or omissions of CBIC in association with this Agreement.
- E. Third Party Beneficiaries. This Agreement is to be construed and understood solely as an agreement between the Parties regarding the subject matter herein and shall not be deemed to create any rights in any other person or on any other matter. No person, organization, or business shall have the right to make claim that they are a third-party beneficiary of this Agreement or of any of the terms and conditions hereof, which, as between the Parties, may be waived at any time by mutual agreement of the Parties.
- F. Indemnification/Hold Harmless/Liability. To the extent allowed by law, CBIC shall defend, indemnify, and hold City and its employees, officers, and agents harmless from and against any and all cost or expenses, claims or liabilities, including but not limited to, reasonable attorneys' fees and expenses, whether asserted by CBIC or any third party, which are attributable to the acts, omissions, negligence, or misconduct of CBIC or that of its agents, employees, or contractors. The obligations shall include, but not be limited to, the obligations to defend, indemnify, and hold harmless the City in all matters where claims of liability against the City are alleged to be or could be found to arise out of the negligent or otherwise wrongful act or omission of CBIC or are passive, derivative, or vicarious of the negligent or intentional acts or omissions of CBIC, including breach of any duty in this Agreement by CBIC. The obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against City. This Section shall survive the termination of this Agreement for any reason. CBIC shall not have the obligation to indemnify the City for its intentional, willful, or wanton acts. Nothing in this provision shall affect the limitations of liability of the City as set forth in Minnesota Statutes Chapter 466.

XI. ADMINISTRATIVE REQUIREMENTS

- A. Accounting Standards. CBIC agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by generally accepted accounting practices to properly account for expenses incurred under this Agreement.
- B. Records.
 - 1. Retention. CBIC must retain all records pertinent to expenditures incurred under this Agreement until conclusion of the latest of (a) six years after the conclusion of this Agreement; (b) six years from the ENRTF Grant term end date; (c) six years after the resolution of all audit findings.
 - 2. Inspections. All CBIC records with respect to any matters covered by this Agreement must be made available to the City or their designees at any time during normal business hours, as often as the City deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. In addition, CBIC shall give the State of Minnesota, the Legislative Auditor, and the State Auditor's Office, through any authorized representatives, access to and the right to examine all records, books, papers, and documents related to this Agreement.
 - 3. Data Practices Act. CBIC must comply with the Minnesota Government Data Practices Act, Chapter 13.
 - 4. Close-Outs. CBIC's obligation to the City does not end until all close-out requirements are completed. Activities during the close-out period include making final payments, determining the custodianship of records, and resolving audit findings.

XII. MISCELLANEOUS

- A. Assignability. CBIC may not assign or transfer any interest in this Agreement (whether by assignment or novation) without the prior written consent of the City; provided, however, that claims for money due or to become due to the CBIC from the City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer must be furnished promptly to the City.
- B. Copyright. All work product created under this Agreement will be the sole and exclusive property of the City, and all right, title and interest therein shall vest in the City and shall be deemed to be works made for hire and made in the course of the services rendered by Grantee hereunder.
- C. Governing Law. This Agreement will be governed by, and construed in accordance with, the laws of the State of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota.
- D. Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original, but all of which taken together constitute one and the same

agreement. Signatures to this Agreement transmitted by facsimile, by electronic mail in “portable document format” (“.pdf”), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

- E. Severability. In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement

XIII. ENTIRE AGREEMENT AND AMENDMENT

This Agreement, including the Exhibits, identified herein, contains all negotiations and agreements between the City and Grantee. No other understanding, agreements or understandings regarding the ENRTF Grant, the Project, or this Agreement, may be used to bind either party. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office. The Exhibits to this Agreement are as follows:

- Exhibit A Premises
- Exhibit B Schematic Designs
- Exhibit C First Amendment to Management Agreement

[This section left blank intentionally]

IN WITNESS WHEREOF, the Parties have hereunto set their hands the day and date first shown below.

CITY OF DULUTH

CHESTER BOWL IMPROVEMENT CLUB

By: _____
City Administrator with delegated Authority

By: _____

Its: _____

Dated: _____

Printed Name: _____

Dated: _____

Attest:

By: _____
City Clerk

Dated: _____

Countersigned:

City Auditor

Approved as to form:

City Attorney



Printed Date: 12/10/2021

The City of Duluth has tried to ensure that the information contained in this map or electronic document is accurate. The City of Duluth makes no warranty or guarantee concerning the accuracy or reliability. This drawing/data is neither a legally recorded map nor a survey and is not intended to be used as one. The drawing/data is a compilation of records, information and data located in various City, County and State offices and other sources affecting the area shown and is to be used for reference purposes only. The City of Duluth shall not be liable for errors contained within this data provided or for any damages in connection with the use of this information contained within.

The City of Duluth requires that this map/data not be redistributed to any party in whole or in part, including any derivative works of products generated by combining the data with other data, unless authorized by the City of Duluth GIS office.



Exhibit A Premises

0 0.05 0.1 0.2 Miles
City of Duluth Contract #



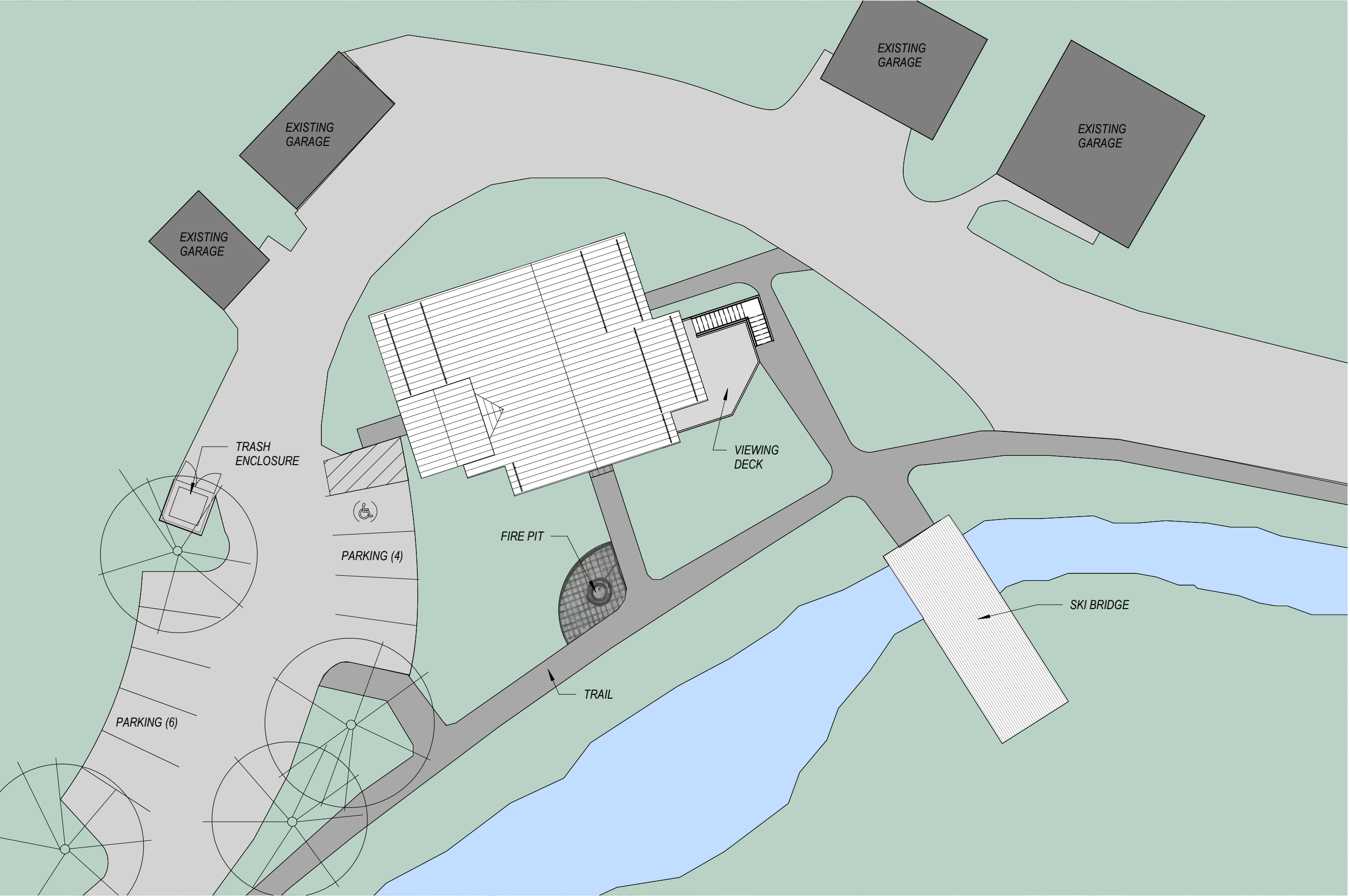
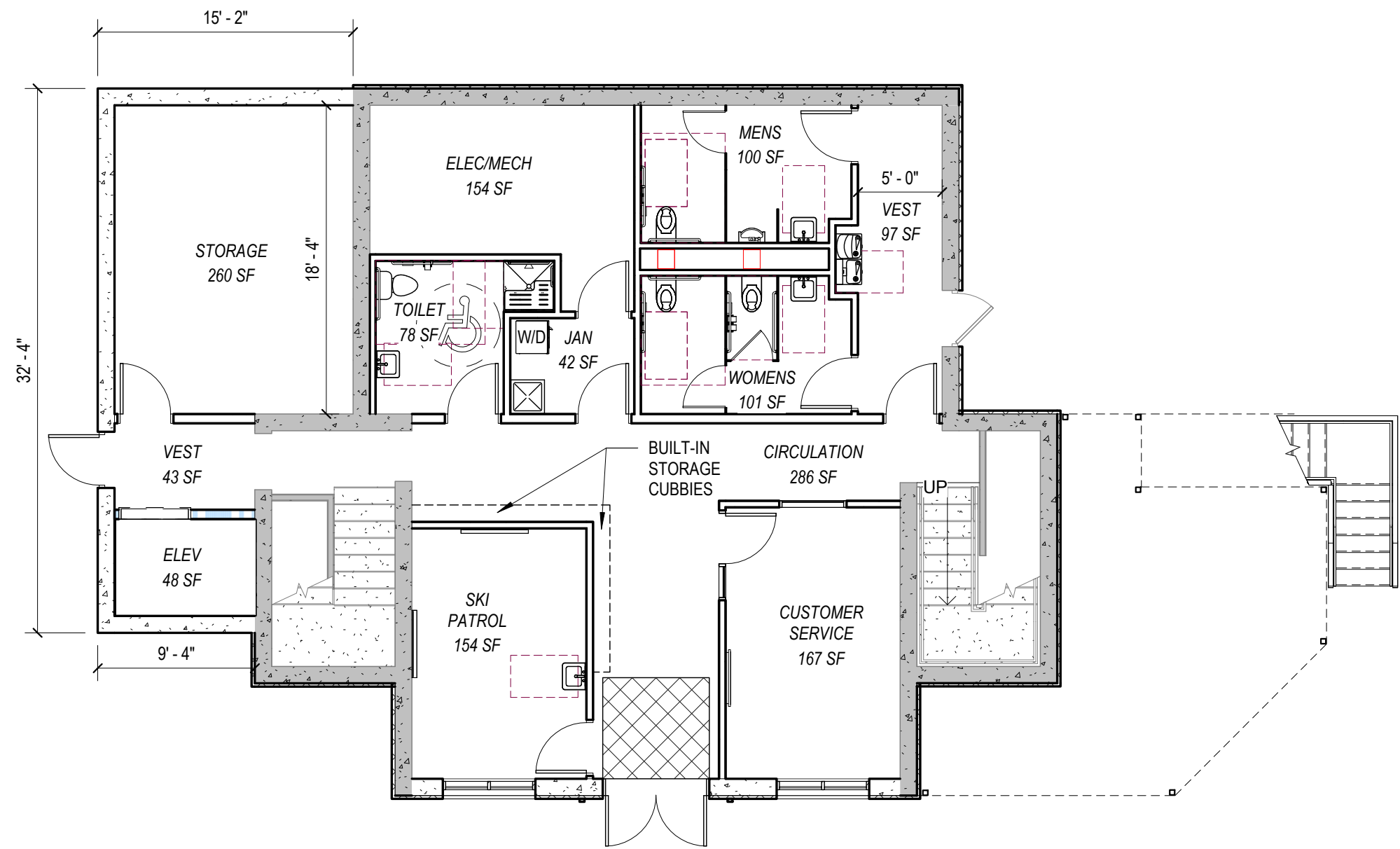


Exhibit B



LOWER LEVEL PLAN

150582 | Chester Bowl Renovation

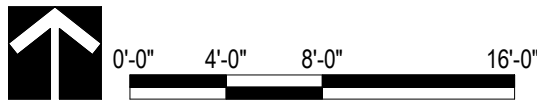
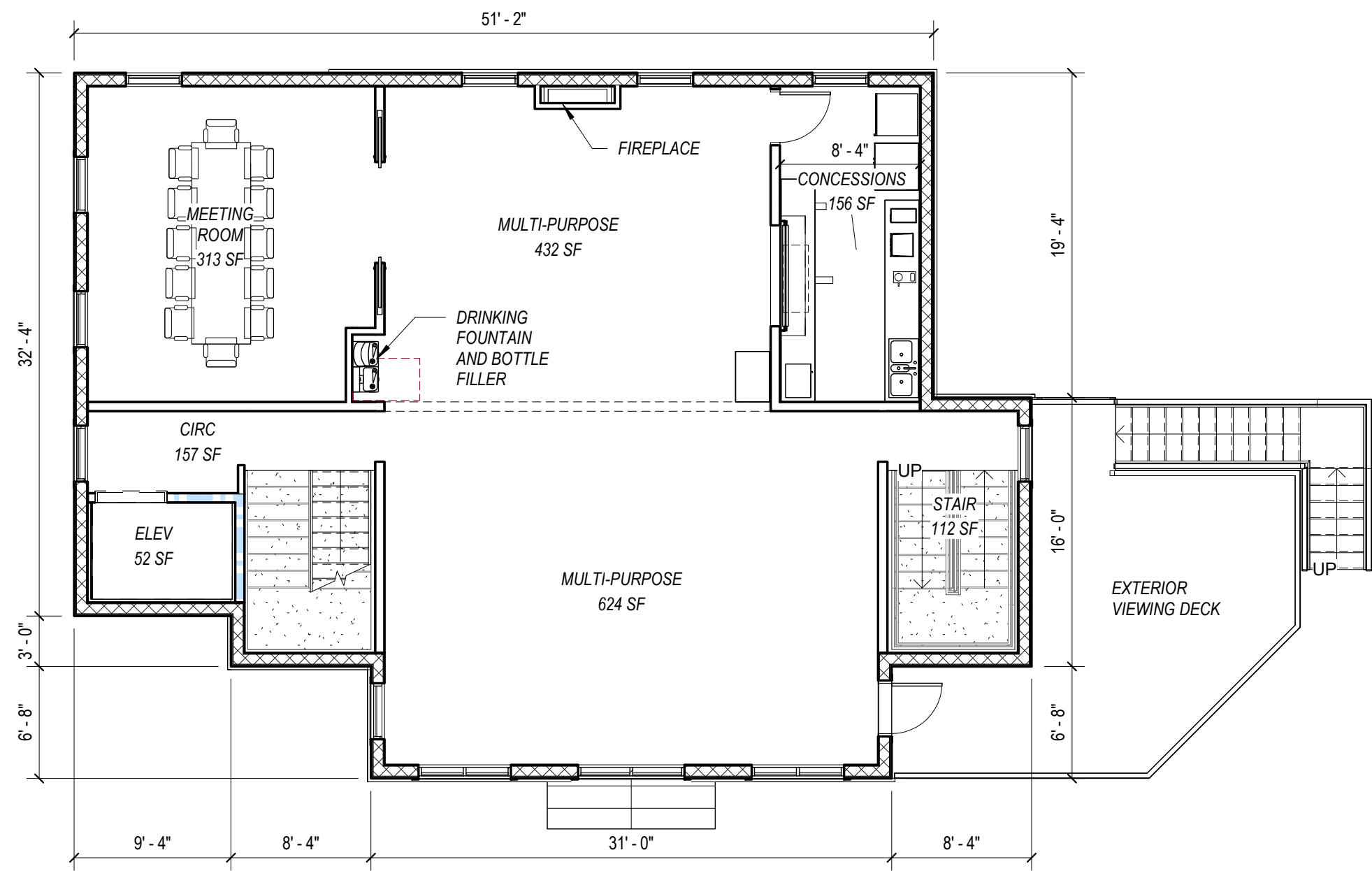


Exhibit B



MAIN LEVEL PLAN

150582 | Chester Bowl Renovation

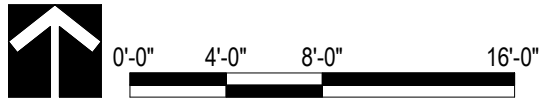
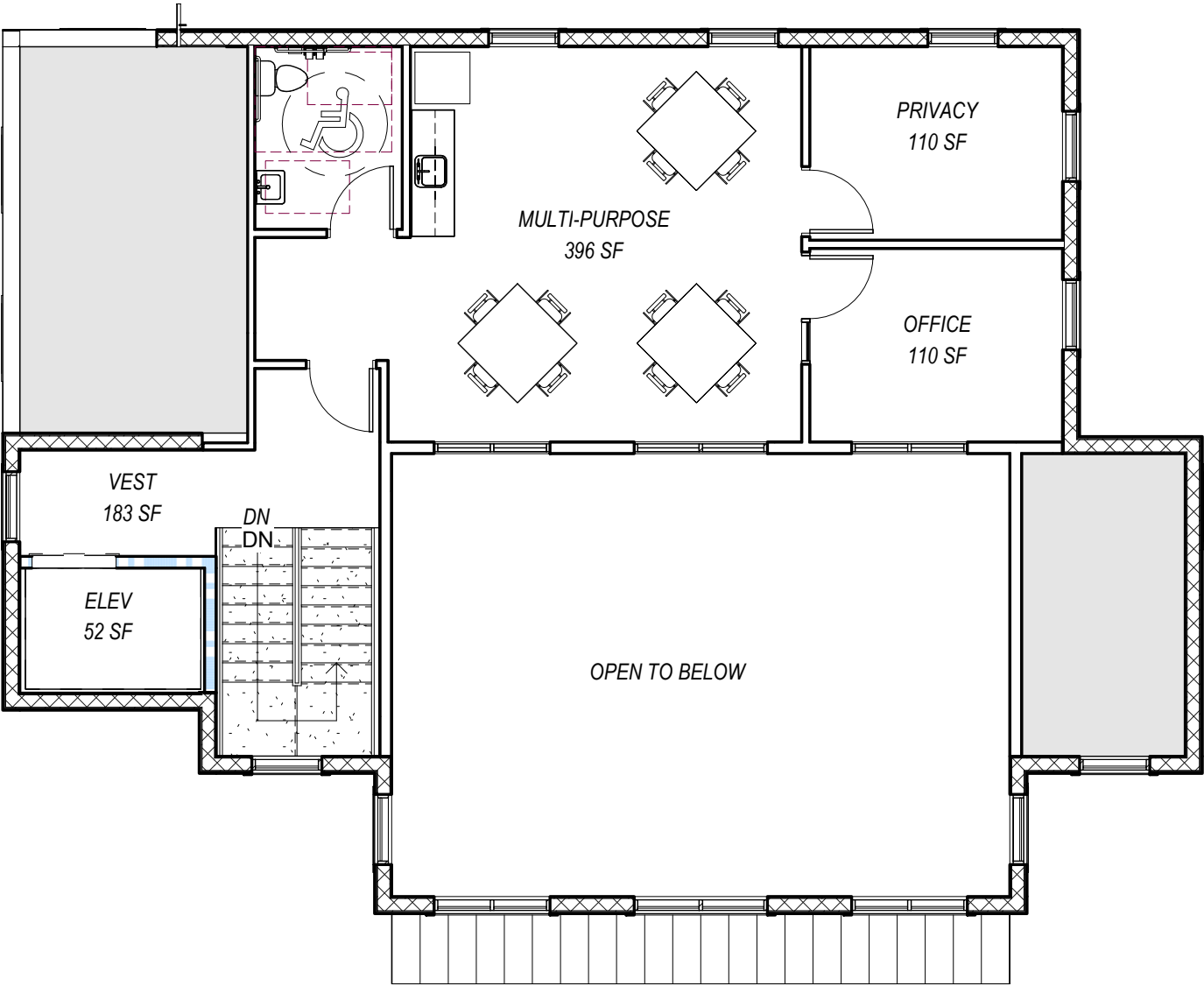


Exhibit B



UPPER LEVEL PLAN

150582 | Chester Bowl Renovation

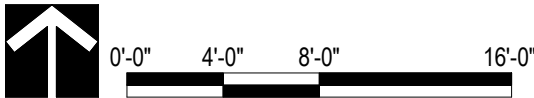


Exhibit B



RENDERING

150582 | Chester Bowl Renovation

**FIRST AMENDMENT TO
OPERATION AND MANAGEMENT AGREEMENT FOR CHESTER BOWL PARK
BETWEEN THE CITY OF DULUTH
AND CHESTER BOWL IMPROVEMENT CLUB**

THIS FIRST AMENDMENT TO OPERATION AND MANAGEMENT AGREEMENT (this “First Amendment”) is by and between the CIYT OF DULUTH, a municipal corporation and political subdivision organized and existing under the laws of the State of Minnesota (the “City”), and CHESTER BOWL IMPROVEMENT CLUB, a Minnesota non-profit corporation (“CBIC”). The City and CBIC are hereinafter referred to as a “Party” or collectively as the “Parties.”

WHEREAS, the Parties entered into an Operation and Management Agreement dated February 6, 2025, City Contract No. 24926 (the “Agreement”) relating to a the “Premises,” which is portion of Chester Park that is operated and managed by CBIC, and for which CBIC is provided exclusive use in the Agreement. Capitalized terms used in this First Amendment, but not defined herein, shall have the same meaning ascribed to them as in the Agreement.

WHEREAS, the Parties have recently completed a reconstruction of the Chalet, expanding the Chalet from its previous 3,330 square foot, 2-story building, to a 5,220 square foot, 3-story building (the “Reconstructed Chalet”).

WHEREAS, the Parties desire to amend the Agreement to: (i) reflect the Reconstructed Chalet in the Premises, and (ii) extend the term of the Agreement.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

In this First Amendment, the deleted items will be ~~struck out~~ and added terms will be underlined.

1. That Section V of the Agreement is amended as follows:

Notwithstanding the date of execution of this Agreement, this Agreement shall be deemed to commence on January 1, 2025 and shall continue through ~~December 31, 2027~~ December 31, 2037, unless earlier terminated as provided for herein (the “Term”).

2. That Section VII. A. 6. of the Agreement is amended as follows:

6. Provide at its sole cost and expense, all daily cleaning, minor repairs, and routine maintenance necessary to properly operate and maintain the public areas of the Chalet (including but not limited to all restrooms), the Garages and the alpine facilities, in a safe and reasonable state of repair, normal wear and tear excepted. This includes day-to-day janitorial cleaning on the dates that CBIC provides its Services and other minor maintenance not requiring a licensed or skilled tradesperson (e.g., plumber, electrician, carpenter, etc.). The public space on the ~~top~~ second floor of the Chalet shall be maintained according to the health department standards for eating establishments, whether CBIC acquires an eating establishment license or not.

3. That Section XIII of the Agreement is amended to add Subsection D as follows:

D. Any publicity pertaining to the Reconstructed Chalet shall acknowledge financial support from the Minnesota Environment and Natural Resources Trust Fund ("ENRTF") as recommended by the Legislative-Citizen Commission on Minnesota Resources. Publicity related to the Reconstructed Chalet includes, but is not limited to, websites, social media platforms, notices, informational pamphlets, press releases, reports, signs, and similar public notices prepared by or for CBIC or its employees individually or jointly with others. Acknowledgement may occur, as appropriate, through use of the ENRTF logo or inclusion of language attributing support from the ENRTF. The City of Duluth will supply permanent signage acknowledging the ENRTF support for the Reconstructed Chalet, which must be displayed in a prominent location at the main entrance of the Chalet, and such signage may not be removed for any reason or at any time.

4. This First Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which shall constitute but one and the same instrument. Signatures to this First Amendment transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the First Amendment, shall have the same effect as physical delivery of the paper document bearing the original signature.
5. Except as specifically amended pursuant to this First Amendment, the Agreement remains in full force and effect. In the event of a conflict between the provisions of this First Amendment and the provisions of the Agreement, the provisions of this First Amendment shall govern.

[Remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the City and CBIC have executed this First Amendment as of the date attested by the City Clerk below.

CITY OF DULUTH

By: _____
City Administrator with delegated Authority

Dated: _____

Attest:

By: _____
City Clerk

Dated: _____

Countersigned:

City Auditor

Approved as to form:

City Attorney

CHESTER BOWL IMPROVEMENT CLUB

By: _____

Its: _____

Printed Name: _____

Dated: _____